



STATE OF UTAH
NATURAL RESOURCES & ENERGY
State Lands & Forestry

3100 State Office Building • Salt Lake City, UT 84114 • 801-533-5381

File ACT/049/003

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Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Ralph A. Miles, Division Director

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DIVISION OF
OIL, GAS & MINING

CERTIFIED MAIL NO. P22 1300705

Interstate Brick Division
Attn: Harvey Cahoon
9210 South 5200 West
West Jordan, UT 84084

RE: ML's 7280, 17215, 17637, 17992, 18038 Clay (Black Shale Mine)
ML's 17806, 35590 Clay (Powell Mine)
ML 34181 Clay (Long Canyon Mine)

Dear Mr. Cahoon:

Over the past several years the Division of State Lands and Forestry has increasingly felt the need to see your State clay leases come under operation of an approved mining plan with posting of adequate reclamation surety. I am aware that you have been working with the Division of Oil, Gas, and Mining toward this end, but those efforts have apparently reached a standstill with the increasing work load being experienced by that office. The Division of State Lands and Forestry is content to allow a continuation of mining operations during the interim to mine plan approval, but feels it essential that interim reclamation bonds be immediately posted with this office.

In accordance with the Rules and Regulations of the Board of State Lands and Forestry, (Rule no. 12 governing mineral leases), and the terms and conditions under which your State clay leases were issued, it is hereby required that you post surety bonds with the Division of State Lands and Forestry to cover mining operations under your State clay leases as indicated below.

<u>Lease No.</u>	<u>Mine Name</u>	<u>Mine Acreage</u>	<u>Surety Bond Amount</u>
7280, 17215, 17637, 17992, 18038	Black Shale	5.00 acres	\$36,194.00
17806, 35590	Powell	10.00 acres	\$72,388.00
34181	Long Canyon	16.00 acres	\$115,820.00

These bond amounts are based on estimated reclamation cost of \$7,238.75 per acre.

Board/Jack Sawyers, Chairman, Southwestern • Warren Haycock, Bear River • Chandler St. John, Mountainlands
Max Williams, Central • Paul Rattle, Southeastern • Hollis Hullinger, Uintah Basin • George Buzianis, Wasatch
Dr. G. Leland Burningham, Ex officio

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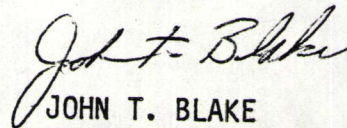
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I understand that you presently have a reclamation contract with the Division of Oil, Gas, and Mining for the Long Canyon mine. Such form of bonding, however is not acceptable by the Division of State Lands and Forestry.

I am enclosing three copies of the approved form to be used in posting the three bonds indicated above. Please post these required bonds with this office within thirty (30) days. Failure to comply may result in termination of these leases.

Please contact me should you have any questions in this matter.

Sincerely yours,



JOHN T. BLAKE
MINERALS RESOURCE SPECIALIST

JTB/mh

cc: Mr. Jim Smith
Division of Oil, Gas, and Mining